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SUPPLEMENTAL REPORT OF
DIVISION OF GAMING ENFORCEMENT
ON THE FINANCIAL STABILITY
OF DONALD J. TRUMP

(FILED IN CONNECTION WITH THE CASINO LICENSE RENEWAL
APPLICATIONS OF TRUMP TAJ MAHAL ASSOCIATES
(PRN 003501), TRUMP'S CASTLE ASSOCIATES (PRN 060501)
AND TRUMP PLAZA ASSOCIATES (PRN 096501))

REDACTED

Trenton, New Jersey
June 12, 1995

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I. Introduction

This supplemental report updates the Division's report dated March 1, 1995 entitled "Report on the Financial Stability of Donald J. Trump" which was filed with the Casino Control Commission ("Commission") in connection with the casino license renewal application of casino licensee Trump Taj Mahal Associates ("TTMA"). Donald J. Trump ("DJT") is a qualifier not only of TTMA but also of casino licensees Trump's Castle Associates ("TCA") and Trump Plaza Associates ("TPA"). Pursuant to Commission Resolution No. 95-16-17 dated March 22, 1995 (PRN 079509), the casino licenses of TTMA and TCA were extended until June 30, 1995 and the license renewal proceedings with regard to all three casino licensees were consolidated and are presently scheduled to be considered on June 22, 1995. This updating report on DJT together with our aforementioned March 1, 1995 report on him, then, are being offered to the Commission in connection with the Commission's consideration of the applications of TTMA, TCA and TPA for renewals of casino licenses.

In summary, but subject to the complete discussion set forth hereinbelow, DJT will have significantly reduced his near-term exposure to obligations which mature prior to June 30, 1995. As noted in the aforementioned Division's prior report on DJT dated March 1, 1995, commitments approximating [redacted] are scheduled to mature prior to June 30, 1995 principally consisting of the exercise of the option with respect to the Trump Regency and [redacted] in deficiency claims.[1] DJT is in the process of addressing these commitments through refinancings by negotiated bank agreements and through a public stock offering and debt offering (the "Offerings") by Trump Hotels & Casino Resorts, Inc. ("THCRI") and Trump Hotels & Casino Resorts Holdings, L.P. ("Trump Holdings"), respectively, recently-created entities that are holding companies of casino licensee TPA. As a result of these new arrangements, DJT will have resolved a significant portion of the deficiency claims that have been governed by the Override Agreement.[2] However, many of these new arrangements, a significant portion of which mature in 1997 and 1998, now require DJT to fund additional cash interest payments and result in an increased drain on cash flow. While DJT forecasts being able to raise additional cash to offset these added cash requirements from projects such as the Mar-a-lago Club and from management fees associated with the Plaza Hotel in New York and the Gulf & Western Building, they may be uncertain sources of sufficient cash because they are new ventures or deprive DJT of appropriate control over the project.

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[1]The deficiency claims resulted from various bank restructurings of DJT's debts that occurred in the past.

[2]The Override Agreement, dated as of August 8, 1990, is between DJT and a number of banks which had loaned DJT and/or his entities a significant amount of funds. It provided for, as a result of financial difficulties, a restructuring of the terms of certain loan advances and deferred specified principal and interest obligations, among other things. It also provided for a $65 million credit facility.

II. Cash Flow

A. Historical

On May 15, 1995, Trump management submitted cash flow statements with respect to the four months ended April 30, 1995. For this four-month period, DJT's cash position of [redacted] fell [redacted] below the forecasts submitted on February 3, 1995.

For the first four months of 1995, the following significant items contributed to DJT's cash balance: (1) in January 1995, DJT received a [redacted] loan from [redacted]; (2) in March 1995, he borrowed $4.0 million from Blackacre Bridge Partners secured by his Trump Tower Triplex residence in New York ("Triplex mortgage"); and, (3) in April 1995, $2.0 million was received as a settlement with respect to the Hyatt litigation. All of the above, totalling [redacted], appear to be one-time occurrences and do not represent continuing sources of funds.

B. Forecasted

On April 25, 1995, Trump management submitted forecasted cash flow statements for the period ending December 31, 1997. The forecasts assumed the consummation of the above-noted public Offerings in June 1995 in the approximate amount of $290 million.[3] They further assumed that, at consummation of the Offerings, DJT would receive a [redacted] reimbursement from THCRI. However, the Offerings were modified such that DJT would no longer be reimbursed [redacted] but would be loaned $3.0 million by Trump Holdings. Further, the $3.0 million loan will not be part of his cash flow but will be utilized, we are advised, to reduce obligations to Citibank, N.A. ("Citibank"). As a result of this change, DJT's forecasted cash balances commencing June 1995 and for every month thereafter are overstated by [redacted]. On June 7, 1995, a representative of Trump management acknowledged this discrepancy and agreed that all month-ending cash balances should be reduced accordingly. The forecasted cash flow section of this report reflects this [redacted] adjustment.

1995

Management projects a [redacted] cash balance on June 30, 1995. Further, DJT is projecting he will receive $125,000 per month from the management fees of TC/GP Inc. with respect to TCA and, commencing in October 1995, [redacted] per month from the Mar-a-lago Club. The Mar-a-lago funds are from anticipated excess cash generated during that resort's prime season of October through April. The projected monthly cash balances for the final six

[3] In fact, we are advised, $295 million was raised--$140 million from the stock offering ($150 million was planned) and $155 million from the debt offering ($140 million was planned).

months of 1995 range from a low of [redacted] in September to [redacted] on December 31, 1995.

<u>1996</u>

Monthly Mar-a-lago income of [redacted]eases in April 1996 and then resumes at a rate of [redacted] per month in October 1996 [redacted] for 1996). Starting in February 1996, DJT is anticipating receiving [redacted] monthly from Trump Tower [redacted] for the year) and another [redacted]on in fees is forecasted from the Plaza Hotel in New York. DJT's personal and household expenses are expected to decline from [redacted]h in 1995 to [redacted]n in 1996, much of which reflects that Mar-a-lago expenses will be paid by the Club instead of, as in the past, by DJT.

Quarterly principal and interest payments of approximately $2.0 million are projected in March, June, September and December. Approximately [redacted] of these expenditures reflect the debt service for the new DJT Notes payable to Bankers Trust Company ("BT") and Citibank (discussed further below). Total loan payments projected for 1996 of [redacted]h are more than twice the [redacted] forecasted in 1995, as a result of the new bank agreements that require cash interest payments.

DJT's monthly cash balances are forecasted to range from [redacted]

[redacted] to [redacted] on with a December 31, 1996 balance of [redacted]

1997

DJT is projecting [redacted] in fees and other income in 1997, of which [redacted] pertains to the Plaza Hotel for management and condominium sales fees. However, debt service again will approach [redacted]. The Trump Tower income of [redacted] month and the $125,000 TC/GP, Inc. (TCA) management fees are projected to continue. Excess cash from Mar-a-lago is forecasted to rise to [redacted]. Further, DJT expects Trump Central Park West to distribute [redacted] in 1997 from fees for condominium sales in the Gulf & Western Building.

DJT's monthly cash balances are projected to increase dramatically from [redacted] to [redacted] on December 31, 1997.

III. Debt

A. Personal Debt Post Restructuring

The following table reflects DJT's personal debt following the Offerings and new bank arrangements regarding the deficiency claims in June 1995:

DJT Debt

Post Restructuring - June 1995

($ in million)

Chase Manhattan Bank	[redacted]
New DJT Notes	
Citibank	[redacted]
Bankers Trust	[redacted]
Trump Hotels & Casino Resorts	3.0
Triplex Mortgage	4.0
Tranche B	[redacted]
Palm Beach/Woodbridge	[redacted]
Palm Beach/South Ocean	[redacted]
Telluride, Colorado, Land	[redacted]
[redacted]	[redacted]

B. Deficiency Claims

Not included in the above table are deficiency claims which management has indicated that the majority of them will be resolved prior to the June 30, 1995 maturity of the Override Agreement. The following table reflects the deficiency claims as they existed on September 30, 1994:

Deficiency Claims

September 30, 1994

($ in millions)

Bankers Trust Company	[redacted]
Citibank	[redacted]
Chemical Bank	[redacted]
First Fidelity Bank	[redacted]
Total Deficiency Claims	[redacted]

1. Bankers Trust Company/Citibank

On March 14, 1995, the Trump Organization provided a letter to the Division indicating that the Trump Organization will satisfy the various loans with BT and Citibank representing [redacted] in deficiency claims which are subject to the Override Agreement prior to June 30, 1995. Citibank is to receive [redacted] of newly-issued DJT Notes in exchange for [redacted] of prior loans. BT is to receive [redacted] of new DJT Notes and a [redacted] Hyatt note for its [redacted] deficiency claim. It should be noted that the original debt owed BT amounted to approximately [redacted]

The new DJT Notes are for a term of three years at a rate of [redacted] interest is payable monthly but will accrue through

December 31, 1995. Thereafter, interest will be paid quarterly in cash. These notes are collateralized by all the property of DJT which could be pledged without violating contractural agreements, including DJT's interest in his New Jersey casinos.

The BT/Hyatt Note of [redacted] is for the same term and rate as the DJT Notes. Cash interest is limited to the management incentive fees paid to DJT from Grand Hyatt. This note is collateralized by DJT's interest in the Grand Hyatt plus a second lien position on the collateral for the new DJT Notes. Further, DJT would grant BT a 50% carried interest in his equity in the Grand Hyatt.

Both of the above notes are to close by June 30, 1995.

When the above agreement is consummated, the two largest bank loans (Citibank's [redacted] and Bankers Trust's [redacted] will be eliminated from the deficiency claims governed by the Override Agreement.

On June 6, 1995, Trump management represented that the $3.0 million loan that DJT received as part of the THCRI Offerings will be applied to the Citibank debt reducing the amount of new DJT Notes issued to Citibank from [redacted] to approximately [redacted] The [redacted] Citibank deficiency claim is the largest remaining outstanding obligation held under the Override Agreement that creates a lien on DJT's equity in his casino hotels.

2. Chemical Bank

The Trump Regency Option granted DJT an option to purchase the Trump Regency Hotel and a $35.9 million promissory note made by DJT to Chemical Bank for a purchase price of $60 million. It is expected that the option will be exercised on or about June 12, 1995 with proceeds from the public Offerings. Further, upon exercise of the option, Chemical Bank has agreed to release its [redacted] deficiency claim.

3. First Fidelity Bank

The [redacted] First Fidelity deficiency claim is currently being paid by the pass-through of payments by TTMA to the bank. Pursuant to a services agreement, DJT is to receive fees in consideration of marketing, advertising and related services to TTMA. The first [redacted] annually from these fees is paid directly to First Fidelity. Also, Trump Taj Mahal Realty ("Realty"), a wholly owned entity of DJT, leases the Steel Pier and other real property to TTMA. Realty has assigned the lease income toward satisfaction of the deficiency claim due First Fidelity.

Trump management has represented that it will resolve First Fidelity's [redacted] claim at time of a TTMA recapitalization. While the board of directors of TTMA has authorized BT Securities and Rothschild Inc. to evaluate such a recapitalization, firm plans and a timetable regarding same have not been developed. On June 6, 1995, Trump management represented that they anticipate a new note agreement with First Fidelity which will address the deficiency claim as governed by the Override Agreement pending satisfaction of the claim itself.

C. "New Money" Facility

DJT continues to take steps to resolve the remaining [redacted] in credit facility borrowings obtained under the August 22, 1990 Override Agreement which originally totaled $65.0 million. The Tranche A portion of the borrowings is now [redacted] and the Tranche B portion is now [redacted]

1. Tranche A Loan

As noted in the Division's March 1, 1995 report on DJT's suitability, various banks have agreed to accept the proceeds of the sale of units located in Trump Tower as settlement on the Tranche A loan. The current loan balance amounts to [redacted] with three remaining units to be sold. In December 1994, one unit was sold reducing the obligation from [redacted] to its current balance.

2. Tranche B Loan

DJT continues to pay [redacted] per month towards the September 27, 1994 agreement to satisfy the [redacted] Tranche B loan with National Westminster Bank. Upon the payment of all 48 monthly payments, the bank has agreed to forgive the remaining [redacted] due. In its May 30, 1995 letter, Trump management represented that the current loan balance amounts to [redacted].

D. Triplex Mortgage

On March 22, 1995, DJT entered into an agreement with Blackacre Bridge Partners, L.P. and New Valley Corporation to borrow $4.0 million. The loan matures on September 22, 1995 at a rate of [redacted]. Interest is paid monthly and, commencing July 1, 1995, a payment of [redacted] each month towards the principal amount is required. The note is secured by DJT's Triplex residence in Trump Tower. See Commission Resolution No. 95-5-19 (PRN 069511).

The lender has agreed to extend the maturity date of the loan for three six-month periods upon the satisfaction of various conditions. However, Trump management has represented that it intends to replace this loan with a longer term loan in September 1995. Should no replacement loan be obtained, the Blackacre loan would mature on March 22, 1997.

E. [redacted]

The total amount of [redacted] loans outstanding on January 31, 1995 as addressed in the Division's March 1, 1995 report on DJT amounted to [redacted]. On May 30, 1995, Trump management indicated the loans have been reduced to [redacted]. This reduction reflects funds being directly applied to the loans from distributions due DJT from the [redacted] properties.

IV. Particular Items

A. Mar-a-lago

On April 6, 1995, DJT transferred the real and personal property known as Mar-a-lago to the Mar-a-lago Club, Inc. (the "Club") which is a wholly-owned corporation of DJT. The Club then borrowed [redacted] from the Union Labor Insurance Company ("ULLICO") in the form of a first mortgage loan. The mortgage is for a term of up to eight years through April 3, 2003 at the rate of [redacted]. Interest on the loan is payable monthly. The mortgage payments are to be funded by the Club; however, DJT is a guarantor of the loan.

The Club utilized [redacted] of the proceeds of the ULLICO loan as a partial payment to satisfy the outstanding $12.0 million residential mortgage securing the property held by Boston Safe Deposit and Trust Company. The balance of the amount owed to Boston Safe on the mortgage (approximately [redacted] was paid from Club dues that had been held in escrow.

The remaining [redacted] of the [redacted] ULLICO mortgage is held in reserve. Further, [redacted] of the reserve is for capital improvements with the remaining [redacted] set aside as an operating reserve.

The transfer of the property to the Club and the ULLICO mortgage eliminates the monthly cash outlays by DJT which had been required to service the Boston Safe Mortgage. It should be noted that, between January 1993 and April 1995, DJT expended [redacted] on Mar-a-lago expenses.

The Club recently commenced operations and is anticipating generating excess cash during its prime season of October through April. Excess cash is to be forwarded to DJT. Through 1997, management is forecasting that the Club will upstream [redacted] to DJT. However, it should be noted that the Club has no operating history that would assure an upstream to DJT of the amount projected from this project.

B. Hyatt Litigation

On April 27, 1995 a settlement was reached between the Hyatt, the Pritzers, DJT, the Trump Corporation and various banks. The agreement provided DJT [redacted] as reimbursement for litigation and legal expenses associated with the Grand Hyatt. Further, the Trump Corporation received [redacted]or outstanding fees that were due and owing. Also, the settlement provided for an amended consulting agreement whereby DJT would receive [redacted] annually. Further, the various banks agreed to extend a second mortgage on the property to the Hyatt partnership for two years. However, the banks must vote to approve the above amended agreements with DJT. Consulting fees due DJT will be held in escrow pending bank approval.

C. Plaza Hotel, New York, New York

In April, 1995, Kwek Leng Beng and Prince Walid bin Tulal of Saudi Arabia reached an agreement to assume control of the Plaza Hotel. Mr. Kwek is the owner of CDL Hotels International Ltd. DJT is to relinquish both control of the hotel and its management but will be a member of the hotel's management committee. CDL and the Prince are to pay down the current [redacted]of Citibank mortgage to approximately [redacted]n. The remaining [redacted]bank balance is to be converted into equity.

DJT is to receive the following income from the Plaza Hotel: (1) [redacted] annual management fee commencing July 1995; (2) [redacted] of the construction costs commencing January 1996; and, (3) [redacted] of condominium sales commencing January 1997. With regard to the latter, DJT is expected to develop luxury condos on the 17th, 18th and 19th floors of the hotel. Through 1997, management anticipates DJT would receive [redacted] from the various fees. However, since DJT is no longer in control of the Plaza, development of the condominiums from which he expects to receive significant fees could be modified or delayed.

D. <u>Gulf and Western Building</u>

Management is forecasting that DJT, through Trump Central Park West Corp., will receive [redacted] per month in fees through December 1997 and [redacted] in December 1997. The latter [redacted] payment reflects fees from the sale of condominium units in the facility. It should be noted that it is our information that construction of the units has not begun.

E. <u>Trump Tower</u>

Following the exit of Galeries Lafayette from the Trump Tower, management is negotiating to replace this tenant with Nike stores. As part of the cancelation of the prior tenant's lease, [redacted] was placed in escrow to be utilized to pay expenses until the Nike lease commences. Management expects to use the residual of funds held in escrow to reduce the outstanding mortgage on the property. Commencing in February 1996, management is expecting Trump Tower to generate [redacted] in excess cash to DJT monthly.

F. Trump Hotels and Casino Resorts, Inc.

In connection with the public Offerings, DJT will be loaned $3.0 million. The loan is for a five-year term and bears interest at prime plus 1%. Interest is payable in cash annually. The loan would be forgiven should the price of common stock of THCRI for 15 consecutive days exceed $25.00 prior to the second anniversary, $27.50 prior to the third, $30.00 prior to the fourth and $32.50 prior to the fifth anniversary.

On June 5, 1995, the Commission approved this loan to DJT subject to the proceeds being used to remove certain liens on DJT's equity interest in his casino hotels. See Resolution No. 95-156 (PRN 116501). As noted previously, Trump management has represented that it intends to use the $3.0 million loan proceeds to reduce the Citibank debt represented by the new DJT Notes.

V. Opinion

It appears that, following the public Offerings by THCRI and Trump Holdings and the Citibank and BT loan exchanges for new DJT Notes and BT/Hyatt note, DJT will have resolved many of his commitments that mature by June 30, 1995, including a significant portion of the deficiency claims governed by the Override Agreement. With regard to First Fidelity's [redacted] deficiency claim, current plans are to resolve this debt through a TTMA recapitalization and, pending that, to enter into a new arrangement with the bank. In any event, payment on the debt is being made via a pass-through of the lease income and services agreement payments from TTMA directly to the bank. Thus, pending: (1) receipt of appropriate documents confirming that the Trump Regency Option has been exercised with proceeds from the public Offerings by June 30, 1995 (we are advised that closing is scheduled for June 12, 1995); (2) receipt of appropriate documents confirming that Chemical Bank has released its [redacted] deficiency claim by June 30, 1995; (3) receipt of documents demonstrating that the new DJT Notes and the BT/Hyatt note have closed by June 30, 1995 (we are advised that closing is scheduled for June 12, 1995); and, (4) receipt of the new agreement with First Fidelity concerning its [redacted] deficiency claim by June 30, 1995 (we are advised that closing is scheduled for June 12, 1995), it appears that DJT has satisfactorily addressed his commitments that mature by June 30, 1995.

However, whereas previously the debt service had been stayed by the Override Agreement, debt service on the replacement debt now must be serviced with cash. Thus, DJT's cash flow needs are expected to rise as the quarterly interest payments on the new DJT Notes commence in March 1996 and annual interest payments on the THCRI $3 million loan start in 1996. In addition, the principal payments on the Triplex mortgage commence in July 1995. While personal and household expenses are expected to decline as a result of the Mar-a-lago expenses being borne by the Club and not DJT, these new obligations are expected to be paid through cash generated from Trump Tower, Mar-a-Lago Club, Plaza Hotel (New York) and Trump Central Park West (Gulf & Western Building). However, in each of these projects, uncertainties exist. Funds from the Trump Tower are from new leases, the Mar-a-Lago funds are from a recently-opened operation and the fees associated with the Plaza Hotel and Gulf and Western Building will require major construction and sales of condominiums from entities not under the control of DJT. With regard to the latter, any delays in construction or sales associated with these entities would impact on DJT's expected cash flow.

Furthermore, as a result of a modification to the THCRI [redacted] Trump Holdings' Offerings, DJT will not receive a [redacted] reimbursement which could have been utilized to support his cash needs. Also, the Commission's ruling of June 5, 1995, which requires the proceeds from the $3.0 million loan from Trump Holdings to be used to remove certain liens on DJT's equity in his casino hotels, does not enhance DJT's cash position either.

Our review of the forecasts through 1997 reflects that DJT will receive $125,000 per month from TC/GP Inc., [redacted]er month commencing February 1996 from Trump Tower and as much as [redacted] per month commencing October 1995 for the prime months from Mar-a-lago. These entities are expected to provide the needed cash flows to fund the approximate [redacted]h per quarter loan obligations (commencing March 1996) primarily due as a result of interest on the new DJT Notes. Yet, in view of DJT's periodic forecasted monthly cash balances of less than [redacted], DJT's flexibility is limited. However, DJT has demonstrated an ability to adjust cash flow requirements when necessary. Further, the largest amount of maturing debt (approximately [redacted] of new DJT Notes) does not occur until 1998.

Accordingly, the Division would not object to a finding that DJT is financially stable through the forecasted period ending December 31, 1997 subject to conditions. These conditions consist of financial reporting requirements, including monthly submission of cash flow statements, that have historically been imposed on DJT. They will be provided in detail in a separate report on conditions.

Finally, we wish to emphasize that our aforementioned recommendation concerning DJT's financial stability is predicated on our review of forecasts through the end of 1997 and is influenced by the expected initial casino licensing of Trump Regency/Trump Plaza West within the next two years. As to the former, DJT has not supplied, and the Division has not requested, forecasts for 1998 and 1999. This position was taken with the consultation and concurrence of Commission staff. In our judgment, forecasts that far into the future are not reliable and should not be used as a basis for forming an opinion on financial stability. With regard to the latter, it is our position that when Trump Regency/Trump Plaza West seeks to open as an approved hotel, which is expected to occur, according to TPA, by the end of the first quarter of 1996, the casino license it is required to have to do so will be applied for by TPA such that, and in any event, TPA will also be required to undergo a license proceeding at that time. As a qualifying individual of TPA, DJT will also be required to undergo a suitability review at that time. Thus, in the near term, and most likely prior to December 31, 1997, DJT's financial stability will be reviewed again by the Division and Commission. Furthermore, a renewal of a casino license for Trump Regency/Trump Plaza West can only be for a period of up to one year for the first two renewal periods succeeding the initial issuance of a casino license. N.J.S.A. 5:12-88a. Therefore, assuming Trump Regency/Trump Plaza West's initial casino license is issued during the first quarter of 1996, it and TPA and DJT will have to undergo renewal proceedings again by the first quarters of 1997 and 1998.

VI. Other

A. FEC Violation

On March 15, 1993, DJT entered into a conciliation agreement with the Federal Election Commission ("FEC") concerning a violation of 2 U.S.C. §441a(a)(3). It appears that, in calendar years 1985, 1987, 1988 and 1989, DJT made political contributions totaling $72,050 or $47,050 in excess of the 1988 annual contribution limit of $25,000. DJT was assessed a $15,000 civil penalty by the FEC.

According to the documentation we reviewed on this matter, DJT contended that in December 1988, after the contributions in question had been made, he solicited and received advice from counsel that the limitation in the statute applied only to contributions made within the calendar year. DJT contended that he was not advised by counsel that any contributions to a candidate or authorized committee with respect to a particular election made in a non-election year are considered to made during the calendar year in which such election is held. DJT further contended that, based upon the advice from his counsel, he requested and, on December 21 and 30, 1988, received refunds totaling $25,000. The general counsel for the FEC rejected this explanation as a basis for warranting a finding of no further action. The aforementioned conciliation agreement ensued.

It is the Division's position that this matter does not adversely affect the qualifications of DJT.

B. Empire State Building/Helmsley Litigation

On February 15, 1995, Trump Empire State Partners filed a complaint in New York against Empire State Building Associates, Empire State Building Company, Helmsley-Spear, Inc., Harry B. Helmsley and others alleging, among other things, that the defendants caused and allowed the Empire State Building to become "a second rate rodent infested commercial building." Trump Empire State Partners is the owner and landlord of the Empire State Building. Pursuant to a master lease, expiring upon exercise of renewal options in 2076, Empire State Building Associates is obliged, among other things, to fulfill certain obligations such as repairing and maintaining the building, maintaining adequate insurance on the building, complying with all laws and ordinances, not allowing any dangerous conditions to exist, not committing or suffering any waste or damage to the building and to use the building as a "high class" facility. Empire State Building Associates subleases the building to Empire State Building Company and the latter has hired Helmsley-Spear, Inc. as the managing agent pursuant to a contract of one year's duration which has been renewed from year to year. Among other allegations are: the defendants permitted the Empire State Building to become "run-down and dilapidated," the purpose of which was to permit defendants "to divert substantial revenues that should have been used for repairing and maintaining the building"; allowing the building to be "without the most basic safety protections...leaving the building with numerous dangerous conditions" that impairs plaintiff receiving its reversionary interest in a satisfactory condition; and, leasing the building to "second tier and small, high turnover tenants rather than prestigious long-term tenants occupying substantial aggregations of space." Trump Empire State Partners requested the Court to award it compensatory damages in an amount of no less than $100 million and an order terminating the sublease and the contract employing Helmsley-Spear, Inc. as managing agent.

On May 30, 1995, Empire State Building Associates and Empire State Building Company filed a complaint in New York against, among others, Donald Trump and Trump Empire State Partners. In this action, plaintiffs alleged that the defendants interfered with plaintiff's valuable contractual rights pertaining to the Empire State Building which rights "have recently been the target of an unlawful conspiracy to disrupt plaintiffs' enjoyment of the premises, to deprive them of the good faith and fair dealing due them under their contract with certain defendants, and to harm plaintiffs' relationships with current and prospective tenants in the Building." Among other things, the complaint states that defendants are conducting an "illicit and reckless campaign...[which] is being orchestrated by defendant Donald Trump, in conspiracy with a shadowy Japanese businessman rumored to be affiliated with organized crime in Japan...". In furtherance of this "conspiracy," plaintiffs further alleged that "Trump and persons acting at his behest have engaged in irresponsible and unfounded actions to disparage plaintiffs' maintenance of the Building through the mail, telephone, electronic and print media, to induce tenants to protest non-existent conditions in the Building; to direct false and damaging claims about the Building to current and prospective tenants; to violate plaintiffs' possessory rights; and to interfere with plaintiffs' relations with current and prospective tenants." Empire State Building Associates and Empire State Building Company asked the Court to award them actual and punitive damages of not less than $100 million for their injuries.

The Division shall continue to monitor this litigation.

V. Conclusion

Based on and subject to all of the foregoing, and subject to certain financial reporting conditions that will be provided in a separate report, the Division would not object to a finding that Donald J. Trump is financially stable for the forecasted period and that he is qualified under the Casino Control Act in connection with the casino licenses of Trump Taj Mahal Associates, Trump's Castle Associates and Trump Plaza Associates.

Respectfully submitted,

FRANK CATANIA
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32195/mjn
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